

# City Of Torrington

MAYOR'S OFFICE  
140 Main Street • City Hall  
Torrington, CT 06790-5245



Phone: (860) 489-2228  
Fax: (860) 489-2541  
[www.torringtonct.org](http://www.torringtonct.org)

## TESTIMONY

of the

**CITY OF TORRINGTON**

to the

**COMMITTEE ON LABOR AND PUBLIC EMPLOYEES**

**March 10, 2011**

### **SB 990, "An Act Concerning the Prevailing Rate of Wages."**

Senator Prague, Representative Zalaski and distinguished members of the Labor and Public Employees Committee, thank you for the opportunity to offer testimony on Senate Bill 990, "An Act Concerning the Prevailing Rate of Wages."

As you all know, the prevailing wage law, which was enacted in 1933 and at its inception, was proposed because union workers were being getting short-changed on long-term construction contracts. For example, if a contract was signed for a 5-year construction job, workers were receiving the same wage at the end of five years as they were at the beginning of the job because of the contractual wage agreement. Thus, the prevailing wage law was one that would impose fairness and provide for wage increases throughout the life of a contract.

Unfortunately, this practice in the modern day does the opposite of its initial intent and has only served to help a few at the great cost to the 3 million residents that live in our State. You all know the arguments that each side of this debate makes so my testimony will instead focus on how this law as it currently stands affects your constituents as well as the workers who build these projects. In Torrington our City Hall was just renovated in 2010 and it cost our residential taxpayers \$13,000,000; without this law in place it could have cost \$8.7 million dollars or 1/3<sup>rd</sup> less.

This law does one of two things every time a municipality or the state contemplates a building project. It either forces the project to be put "on hold" due to cost; as was the case in East Granby in 2006<sup>1</sup>. Or it forces the work to be scaled back and reduced in scope; as was the case in the City of Torrington last year. As a result there is either no work or less work to be done overall, in either scenario workers and working families lose.

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Consider if the City of Torrington had an extra \$4.3 million dollars (the difference between \$13MM and \$8.7MM as referenced above) to spend on our renovation project and we were able to renovate an additional building at the same time as City Hall. How much more work is that? How many more people in Connecticut could have benefitted and been hired to work? By holding the current levels in place this law is forcing projects to be halted or reduced throughout the State and each time that happens it costs jobs and wages for the workers of Connecticut. This committee has the power to help the state and municipal governments save money and do more to help our respective communities while at the same time providing more work for those in the construction trade as well as allowing our residents to keep more of their hard earned money in their pockets where it belongs.

Moreover, the current project-cost limits that trigger prevailing wage have not been adjusted in 20 years. Prior to this 20-year freeze these schedules had been updated every 6 years for 18 years in a row. The 20-year absence of adjustments to the thresholds has cost the State and local governments millions of dollars – money that we all wish we had during these tumultuous fiscal times. In 2006, the state's own Department of Public Works (DPW) agreed with this sentiment in its testimony, before this very committee, and stated that it “makes sense to raise the thresholds” and that the State could actually save money by being able to get more construction work accomplished while using the same amount of funds.<sup>ii</sup>

Furthermore and in conclusion, in the same testimony the DPW went onto explain that the practice of prevailing wage can actually be exclusionary to small minority and women owned contractors when they are competing for state business.<sup>iii</sup> Given these facts as well as the current economy, it seems that the committee could serve the public's best interest in helping to create as much work as possible for all workers rather than a limited amount of work for some. And therefore, I respectfully urge the committee to favorably report SB 990. Now is not the time to increase local costs and endanger the state-local partnership to create and retain jobs.

Thank you.

If you have any questions, please contact Mayor Ryan Bingham at 860.489.2228 or [ryan\\_bingham@torringtonct.org](mailto:ryan_bingham@torringtonct.org)

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<sup>i</sup> Town of East Granby, testimony before the Labor & Public Employees Committee HB 5741, March 16, 2006; <http://cga.ct.gov/2006/labdata/Tmy/2006HB-05741-R000316-Town%20of%20East%20Granby-TMY.PDF>

<sup>ii</sup> Connecticut Department of Public Works, testimony before the Labor & Public Employees Committee HB 5741, March 16, 2006; <http://cga.ct.gov/2006/LABdata/Tmy/2006HB-05741-R000316-Connecticut%20Department%20of%20Public%20Works-TMY.PDF>

<sup>iii</sup> IBID